ASSEMBLY BILL   No. 1420

Introduced by Assembly Member Niello

February 22, 2005

An act to amend Section 42238 of the Education Code, relating to education finance.

LEGISLATIVE COUNSEL'S DIGEST

AB 1420, as introduced, Niello. Education: school finance.

Existing law requires a revenue limit to be calculated for each school district and each county superintendent of schools and requires the amount of the revenue limit to be adjusted for various factors. Existing law requires the Superintendent of Public Instruction to take into account the revenue limit of a school district and county superintendent of schools when apportioning funding to school districts and county superintendents of schools.

This bill would make a technical, nonsubstantive change to those provisions.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

1   SECTION 1. Section 42238 of the Education Code is
2 amended to read:
3   42238. (a) For the 1984–85 fiscal year and each fiscal year
4 thereafter, the county superintendent of schools shall determine a
5 revenue limit for each school district in the county pursuant to
6 this section.

1 (b) The base revenue limit for a fiscal year shall be determined
2 by adding to the base revenue limit for the prior fiscal year the
3 following amounts:
4   (1) The inflation adjustment specified in Section 42238.1.
5   (2) For the 1995–96 fiscal year, the equalization adjustment
6 specified in Section 42238.4.
7   (3) For the 1996–97 fiscal year, the equalization adjustments
8 specified in Sections 42238.41, 42238.42, and 42238.43.
9   (4) For the 1985–86 fiscal year, the amount received per unit
10 of average daily attendance in the 1984–85 fiscal year pursuant
11 to Section 42238.7.
12   (5) For the 1985–86, 1986–87, and 1987–88 fiscal years, the
13 amount per unit of average daily attendance received in the prior
14 fiscal year pursuant to Section 42238.8.
15   (6) For the 2004–05 fiscal year, the equalization adjustment
16 specified in Section 42238.44.
17   (c) Except for districts subject to subdivision (d), the base
18 revenue limit computed pursuant to subdivision (b) shall be
19 multiplied by the district average daily attendance computed
20 pursuant to Section 42238.5.
21   (d) (1) For districts for which the number of units of average
22 daily attendance determined pursuant to Section 42238.5 is
23 greater for the current fiscal year than for the 1982–83 fiscal
24 year, compute the following amount, ~~in lieu~~ *instead* of the
25 amount computed pursuant to subdivision (c):
26   (A) Multiply the base revenue limit computed pursuant to
27 subdivision (c) by the average daily attendance computed
28 pursuant to Section 42238.5 for the 1982–83 fiscal year.
29   (B) Multiply the lesser of the amount in subdivision (c) or 1.05
30 times the statewide average base revenue limit per unit of
31 average daily attendance for districts of similar type for the
32 current fiscal year by the difference between the average daily
33 attendance computed pursuant to Section 42238.5 for the current
34 and 1982–83 fiscal years.
35   (C) Add the amounts in subparagraphs (A) and (B).
36   (2) This subdivision shall become inoperative on July 1, 1998.
37   (e) For districts electing to compute units of average daily
38 attendance pursuant to paragraph (2) of subdivision (a) of Section
39 42238.5, the amount computed pursuant to Article 4

1   (commencing with Section 42280) shall be added to the amount
2   computed in subdivision (c) or (d), as appropriate.
3   (f) For the 1984–85 fiscal year only, the county superintendent
4   shall reduce the total revenue limit computed in this section by
5   the amount of the decreased employer contributions to the Public
6   Employees' Retirement System resulting from enactment of
7   Chapter 330 of the Statutes of 1982, offset by any increase in
8   those contributions, as of the 1983–84 fiscal year, resulting from
9   subsequent changes in employer contribution rates.
10   (g) The reduction required by subdivision (f) shall be
11   calculated as follows:
12   (1) Determine the amount of employer contributions that
13   would have been made in the 1983–84 fiscal year if the
14   applicable Public Employees' Retirement System employer
15   contribution rate in effect immediately prior to the enactment of
16   Chapter 330 of the Statutes of 1982 was in effect during the
17   1983–84 fiscal year.
18   (2) Subtract from the amount determined in paragraph (1) the
19   greater of subparagraph (A) or (B):
20   (A) The amount of employer contributions that would have
21   been made in the 1983–84 fiscal year if the applicable Public
22   Employees' Retirement System employer contribution rate in
23   effect immediately after the enactment of Chapter 330 of the
24   Statutes of 1982 was in effect during the 1983–84 fiscal year.
25   (B) The actual amount of employer contributions made to the
26   Public Employees' Retirement System in the 1983–84 fiscal
27   year.
28   (3) For purposes of this subdivision, employer contributions to
29   the Public Employees' Retirement System for either of the
30   following shall be excluded from the calculation specified above:
31   (A) Positions supported totally by federal funds that were
32   subject to supplanting restrictions.
33   (B) Positions supported, to the extent of employer
34   contributions not exceeding twenty-five thousand dollars
35   ($25,000) by any single educational agency, from a revenue
36   source determined on the basis of equity to be properly
37   excludable from the provisions of this subdivision by the
38   Superintendent of Public Instruction with the approval of the
39   Director of Finance.

1   (4) For accounting purposes, the reduction made by this
2   subdivision may be reflected as an expenditure from appropriate
3   sources of revenue as directed by the Superintendent of Public
4   Instruction.
5   (h) The Superintendent of Public Instruction shall apportion to
6   each school district the amount determined in this section less the
7   sum of:
8   (1) The district's property tax revenue received pursuant to
9   Chapter 3 (commencing with Section 75) and Chapter 6
10 (commencing with Section 95) of Part 0.5 of the Revenue and
11 Taxation Code.
12 (2) The amount, if any, received pursuant to Part 18.5
13 (commencing with Section 38101) of the Revenue and Taxation
14 Code.
15 (3) The amount, if any, received pursuant to Chapter 3
16 (commencing with Section 16140) of the Government Code.
17 (4) Prior years' taxes and taxes on the unsecured roll.
18 (5) Fifty percent of the amount received pursuant to Section
19 41603.
20 (6) The amount, if any, received pursuant to the Community
21 Redevelopment Law (Part 1 (commencing with Section 33000)
22 of Division 24 of the Health and Safety Code), except for any
23 amount received pursuant to Section 33401 or 33676 of the
24 Health and Safety Code that is used for land acquisition, facility
25 construction, reconstruction, or remodeling, or deferred
26 maintenance, except for any amount received pursuant to Section
27 33492.15, paragraph (4) of subdivision (a) of Section 33607.5, or
28 Section 33607.7 of the Health and Safety Code that is allocated
29 exclusively for educational facilities.
30 (7) For a unified school district, other than a unified school
31 district that has converted all of its schools to charter status
32 pursuant to Section 47606, the amount of statewide average
33 general-purpose funding per unit of average daily attendance
34 received by school districts for each of four grade level ranges, as
35 computed by the department pursuant to Section 47633,
36 multiplied by the average daily attendance, in corresponding
37 grade level ranges, of any pupils who attend charter schools
38 funded pursuant to Chapter 6 (commencing with Section 47630)
39 of Part 26.8 for which the district is the sponsoring local
40 educational agency, as defined in Section 47632, and who reside

1 in and would otherwise have been eligible to attend a noncharter
2 school of the district.
3   (i) A transfer of seventh and eighth grade pupils between an
4 elementary school district and a high school district shall not
5 result in the receiving district receiving a revenue limit
6 apportionment for those pupils that exceeds 105 percent of the
7 statewide average revenue limit for the type and size of the
8 receiving school district.

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